



**LICKING PARK DISTRICT
LICKING COUNTY**

REGULAR AUDIT

FOR YEARS ENDED DECEMBER 31, 2000 AND 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

LICKING PARK DISTRICT
LICKING COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Park Commissioners
Licking Park District
Licking County
P.O. Box 590
Granville, Ohio 43023

We have audited the accompanying financial statements of the Licking Park District, Licking County, Ohio (the District) as of and for the years ended December 31, 2000 and December 31, 1999. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As discussed in Note 1, the District prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balance and reserves for encumbrances of the Licking Park District as of December 31, 2000 and December 31, 1999, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 10, 2001 on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audits.

This report is intended solely for the information and use of management, Board of Park Commissioners and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

April 10, 2001

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**LICKING PARK DISTRICT
LICKING COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000	1999
Cash Receipts:		
Intergovernmental	\$729,213	\$428,319
Programs	17,621	14,908
Gifts and Donations	86,228	3,124
Rental Fees	8,328	7,441
Sales	462	447
Contracts - Services	7,412	5,868
Other Receipts	24,910	3,910
Total Cash Receipts	874,174	464,017
Cash Disbursements:		
Current:		
Salaries and Benefits	240,821	204,445
Supplies	16,038	14,723
Equipment	46,421	22,483
Contracts - Repair	6,667	4,808
Contracts - Services	43,763	32,890
Capital Outlay	556,169	81,767
Repayment of Debt	16,982	4,111
Other	46,671	16,354
Total Cash Disbursements	973,532	381,581
Total Receipts Over/(Under) Disbursements	(99,358)	82,436
Other Financing Receipts/(Disbursements):		
Proceeds from Sale of Public Debt:		
Sale of Bonds	130,000	0
Total Other Financing Receipts/(Disbursements)	130,000	0
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	30,642	82,436
Cash Balances, January 1	104,315	21,879
Cash Balances, December 31	\$134,957	\$104,315
Reserve for Encumbrances, December 31	\$15,611	\$70,584

The notes to the financial statements are an integral part of this statement.

**LICKING PARK DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Licking Park District, Licking County, Ohio (the District) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The District is directed by a three-member Board of Commissioners appointed by the probate judge of Licking County. The District acquires lands for conversion into forest reserves and for the conservation of the natural resources, including streams, lakes, submerged lands and swamp lands. The Board may also create parks, parkways, and other reservations and may afforest, develop, improve and protect and promote the use of same as the Board deems conducive to the general welfare.

The District's management believes these financial statements present all activities for which the District is financially accountable.

This is the initial audit of the Licking Park District.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

In accordance with Ohio Revised Code, the District's cash is held and invested by the Licking County Treasurer, who acts as custodian for District monies. The District's assets are held in the County's cash and investment pool, and are valued at the Treasurer's reported carrying amount.

**LICKING PARK DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgetary Process

The Ohio Revised Code requires the District to budget annually.

Appropriations

Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the function level of control, and appropriations may not exceed estimated resources. The Board must annually approve appropriation measures and subsequent amendments. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

Estimated Resources

Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must also approve estimated resources.

Encumbrances

The Ohio Revised Code requires the District to reserve (encumber) appropriations when commitments are made. Encumbrances outstanding at year end are canceled, and re-appropriated in the subsequent year.

A summary of 2000 and 1999 budgetary activity appears in Note 2.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the District.

2. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2000 and 1999 follows:

2000 Budgeted vs. Actual Receipts			
	Budgeted Receipts	Actual Receipts	Variance
	<u>\$985,652</u>	<u>\$1,004,174</u>	<u>\$18,522</u>
Total	<u>\$985,652</u>	<u>\$1,004,174</u>	<u>\$18,522</u>

**LICKING PARK DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

2. BUDGETARY ACTIVITY (Continued)

2000 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation Authority	Budgetary Expenditures	Variance
	<u>\$1,032,750</u>	<u>\$989,143</u>	<u>\$43,607</u>
Total	<u><u>\$1,032,750</u></u>	<u><u>\$989,143</u></u>	<u><u>\$43,607</u></u>

1999 Budgeted vs. Actual Receipts

	Budgeted Receipts	Actual Receipts	Variance
	<u>\$464,019</u>	<u>\$464,017</u>	<u>(\$2)</u>
Total	<u><u>\$464,019</u></u>	<u><u>\$464,017</u></u>	<u><u>(\$2)</u></u>

1999 Budgeted vs. Actual Budgetary Basis Expenditures

	Appropriation Authority	Budgetary Expenditures	Variance
	<u>\$465,568</u>	<u>\$452,165</u>	<u>\$13,403</u>
Total	<u><u>\$465,568</u></u>	<u><u>\$452,165</u></u>	<u><u>\$13,403</u></u>

3. DEBT

Debt outstanding at December 31, 2000:

	Principal	Interest Rate
Acquisition Revenue Bonds	\$120,137	6%
Tractor Leases	<u>19,143</u>	6%
Total	<u><u>\$139,280</u></u>	

The Park District issued revenue bonds on February 23, 2000, in the amount of \$130,000 at 6.00% for a term of ten years to pay part of the cost of acquiring real estate. Interest and principal payments are due annually to the General Fund of Licking County. The Bonds are collateralized by revenues of the District.

**LICKING PARK DISTRICT
LICKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 AND 1999
(Continued)**

3. DEBT (Continued)

On October 16, 1998 and on August 18, 1999, the District entered into equipment leases for New Holland tractors. Amortization of the above debt, including interest, is scheduled as follows:

Year ending December 31:	Acquisition Revenue Bonds	Tractor Leases
2001	\$7,800	\$7,119
2002	17,663	7,119
2003	17,663	7,119
2004	17,663	0
2005	17,663	0
Subsequent	88,315	0
Total	\$166,767	\$21,357

4. RETIREMENT SYSTEM

The District's full-time employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2000 and 1999, members of PERS contributed 8.5% of their gross salaries. The District contributed an amount equal to 13.55% of participants' gross salaries in 1999 and 10.84% for 2000. The District has paid all contributions required through December 31, 2000.

5. RISK MANAGEMENT

The District has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The District also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL REQUIRED BY
GOVERNMENT AUDITING STANDARDS**

Board of Park Commissioners
Licking Park District
Licking County
P.O. Box 590
Granville, Ohio 43023

We have audited the financial statements of the Licking Park District, Licking County, Ohio (the District) as of and for the years ended December 31, 2000 and December 31, 1999, and have issued our report thereon dated April 10, 2001. We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audits and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 10, 2001.

This report is intended for the information and use of management and Board of Commissioners, and is not intended to be and should not be used by anyone other than these specified parties.

JIM PETRO
Auditor of State

April 10, 2001



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LICKING PARK DISTRICT

LICKING COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MAY 8, 2001**